

Briefing Report on Issues at the Upcoming 78th Legislative Session

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Summaries

Annexation: We support allowing the current annexation law, which goes in to full effect January 2003, to be given the opportunity to function as adopted by the Legislature in 1999.

Rezoning: We oppose any legislation that would require a city to reimburse a property owner if a rezoning is argued to diminish the value of a property.

Right-of-Way Authority: We wish to retain all our current authority to regulate the rights-of-way in our cities.

National Fire Protection Association Standard 1710: We oppose any efforts through State legislation or State administrative regulation to impose this standard which is effectively an unfunded mandate establishing minimum fire pumper truck manning requirements.

Regulation of Firearms: We oppose legislation that allows possession of firearms on municipal or county property.

Collective Bargaining: We support the current law, which requires a popular vote in order for police and fire employees to collectively bargain with a city.

Current Local Revenue Sources: We support the ability to retain our current revenue sources and would like the Legislature to be sensitive to State initiatives that reduce municipal revenues such as expanding the sales tax holiday, allow sales tax corporations, and increase property tax exemptions.

E-Commerce and Internet Sales Tax: We support current efforts on the national level and encourage Texas' continued involvement this effort, which would allow internet sales to be subject to sales tax.

Library Funding: We support the re-evaluation of TIF Funding used by the Texas State Library Association in order for continued funding of the TexShare databases.

Higher Education Authorities: We support amendments to the education code that would prohibit or revise education authorities'

ability to build or purchase properties for college student housing that would be tax-exempt.

Manufactured/Industrialized Housing: *We oppose any legislation that reduces a city's ability to regulate the location or siting of manufactured/industrialized housing.*

Restriction of Municipal/Building Development-Related Fees and Permits: *We would oppose any legislation that restricts municipal/building development related fees and permits.*

Health Care Costs: *We would support legislation to address the rapidly rising cost of health care.*

Insurance Purchasing: *We support further legislative efforts to make acquisition of insurance by local governments more flexible.*

Local Control: *We support any initiatives that reinforce strong local control which the State has historically given local government, and oppose any legislation that would reduce it.*

State Fees: *We encourage sensitivity to any increases in State fees collected by local governments, and would request additional reimbursement for local collection costs.*

Transportation: *We support all efforts to fund transportation improvements as extensively as possible including TEA-21 reauthorization and encourage the pursuit of a transportation corridor designation.*

Unfunded Mandates: *We oppose the imposition of any new costs on local government without the additional revenues to support them.*

Water: *We support efforts to protect our existing water resources, expand those resources, and improve a city's ability to provide water and wastewater services in areas currently served by Special Utility Districts.*

Briefing Report on Issues at the Upcoming 78th
Legislative Session
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The following is a list of legislative issues of strong concern to local governments located in Brazos County in the upcoming session. These issues involve a two-fold focus. First is legislation that may be introduced that addresses or impacts issues that we support. The second area of focus is legislation that may be introduced that we would oppose due its adverse impact on our community.

Annexation:

The most recent annexation law adopted by the Legislature in 1999 is being phased in and will be in full effect January 1, 2003. We support keeping the annexation law as is, giving it full opportunity to function as approved by the Legislature in 1999. We would oppose any modification to it at this time, particularly any amendments that would further reduce or impede a city's ability to unilaterally annex property more than it is currently regulated. Annexation is an important, if not the most important, tool Texas cities have been given by the State to control growth through land use in a city's perimeter areas.

Rezoning:

We would oppose any legislation that would require a city to reimburse the property owner if a rezoning is argued to diminish the value of a property.

Right-of-Way Authority:

Local control of our street, road and alley rights-of-way is essential for effective delivery of local governmental services. In the next session the legislature will probably consider legislation that would reduce the authority of cities to regulate the use of their rights-of-way. We oppose this erosion of rights-of-way authority.

National Fire Protection Association Standard 1710:

Any effort to impose through State legislation or State administrative regulation (through the Texas Fire Commission) what is known as "NFPA 1710" is something we would oppose. Any mandatory imposition of NFPA 1710 creates an unfunded mandate by establishing mandatory minimum staffing levels on fire pumper trucks as well emergency vehicle response times. This creates new costs for cities with no local input or control while requiring local government to raise the tax revenue to cover these costs. The cost of full compliance for the City of College Station would be in excess of \$16.5 million dollars.

Regulation of Firearms:

Any legislation that substantially reduces or eliminates the authority of a city to regulate the possession of firearms on municipal premises is of concern and should be opposed.

Collective Bargaining:

Any legislation introduced that requires collective bargaining for a city or would allow a City Council to enter into collective bargaining with police and fire unions without a popular vote (as is currently required) would be something we oppose.

Current Local Revenue Sources:

Like the State, local government is constantly looking for appropriate new and innovative ways to fund services for our growing community. However, we find it increasingly difficult to stop our current revenue sources from being reduced. We would encourage our delegation's awareness of this issue and point out that it occurs in various ways. One of the more significant ones that may be on the horizon is interest being expressed by some State officials regarding expansion of the State's sales tax "holiday."

Due to the importance of sales tax revenue for funding city and county government, such decisions not only impact State finances, but local government finances as well. For that reason, we would request that the State heavily involve and receive input from their local governments as to its financial impact on them before any dialogue or discussion of sales tax holiday expansion occurs. The sales tax code should also be amended to prohibit the ability of a company to change locations (situated) in an effort to avoid or intentionally divert payment of local sales tax.

Another area where this can occur is State-granted tax exemptions on homesteads. While we realize there are arguments in support of such exemptions, we would ask that before new ones are approved by the State, that a thorough analysis of financial impact on local government is first conducted and our input solicited.

E-Commerce and Internet Sales Tax:

We recognize the importance of e-commerce via the Internet for business. However, we also recognize the impact the current "sales tax free" status that burgeoning internet e-commerce retail sales has on local "brick and mortar" retailers as well as on local and state government in Texas and throughout much of the country. Certainly the "playing field" is not level for our local retailers, who levy the State's sales tax, while the out-of-state Internet retailers do not. Obviously, this is now a huge and ever-growing sales tax revenue loss for both the State of Texas and Texas local government. We support current efforts involving a number of states, the National League of

Cities, and other groups to continue to find a way to create a sales tax code that is accepted nationally that addresses this problem of sales tax free Internet retail sales. This needs to be addressed as soon as possible. Any encouragement to facilitate a solution that our State legislative delegation can provide would only help bring this issue to resolution.

Library Funding:

Many local government libraries rely on TexShare databases, which are funded through TIF funds. The TIF funds come under sunset review in 2005 and will not be available unless appropriate action is taken by the legislature. If this TIF funding used by the Texas State Library Association is no longer available, few libraries can afford the costs of electronic databases.

Higher Education Authorities:

Local governments in Brazos County are very concerned about the growing use of these authorities in Texas as now configured under State law to purchase or build student-housing properties. The properties these authorities are purchasing are not located in the cities that are creating these higher education authorities. Instead, these authorities are purchasing and building college student housing properties in university communities like ours as well as others around the State.

In fact, there is an authority owned property now under construction in College Station with an estimated value of \$15,000,000.00. By their tax-exempt status, many of these authority owned properties are not paying for the municipal and county services they require and they have an adverse impact on our local school districts' finances under the State's public education funding formula. Both Cities, Brazos County, BISD and CSISD as well as the Texas Municipal League have passed resolutions asking the Legislature to amend this State law in the next session to address this problem.

Manufactured/Industrialized Housing:

We oppose any legislative effort in the next session that erodes the authority of cities to regulate the location/siting of manufactured/industrialized housing.

Restriction of Municipal Building/Development-Related Fees and Permits:

In the next session, the Legislature may consider legislation introduced under the "guise" of housing affordability that would: (a) restrict municipal fees that affect housing costs; (b) require a "housing availability" impact statement for any "law" that affects housing; and

(c) review all "government practices" and codes that affect housing affordability. We would oppose any such legislation.

Health Care Costs:

The rapidly escalating rising costs of health care is impacting the ability of local governments here and all over the State to provide affordable health insurance for their employees. This is reaching crisis proportions, both in terms of financial impacts as well as quality of and access to health care delivery. We would encourage efforts in the next session to attempt to address this problem. We recognize the national nature of this problem. However, efforts to focus on Texas in particular in addressing these rising costs through whatever tools and means are available would have a very beneficial impact on the cost of both State and local government. Most importantly, it would have a positive impact on our citizens who are bearing these increased costs.

Insurance Purchasing:

We support legislative efforts to make acquisition of insurance by local governments more flexible. This flexibility, through the use of requests for proposals and negotiation instead of bids, would make it easier for local governments to partner with each other on their insurance purchases as well as obtain better pricing to the benefit of our citizens. Currently, State law restricts cities of less than 75,000 to be able to receive the benefit of purchasing their insurance in this manner. We would like to be afforded the same flexibility that those cities presently receive for the reasons cited above, and ask our delegation to support legislative efforts to achieve this.

Local Control:

Texas has historically been a strong home rule state giving its local governments the ability to place decisions in the hands of a community's elected governing body. We believe this is as it should be. Further, we believe that local self-determination and decision making is why local government in Texas is some of the best in the nation. We support any initiatives that reinforce this local control that the State of Texas has wisely given local government while we oppose any efforts to reduce or erode it.

State Fees:

Local governments understand the need to utilize user fees and permit fees to fund some of the costs of delivering their services. We pay many such fees to the State. Additionally, we collect some State fees, particularly court costs, through our municipal courts. When the State increases those fees, the citizen paying them often does not understand that the local government that is collecting that fee for the State does not receive that revenue. We would also ask for

consideration for additional reimbursement by the State for our costs of collecting State fees.

Transportation:

Improvement of our existing transportation infrastructure as well as development of new infrastructure is a key to maintaining and improving our quality of life here locally. We encourage in the next session all efforts to fund roadway improvements as extensively as possible, both State roadways and local; to meet the transportation needs of a growing Texas. However, we wish to encourage the State to keep in mind those areas, such as ours, that are under served by four-lane divided highways and yet are undergoing strong growth.

This may require identifying new methods to finance these improvements. We also call on our State legislative delegation to actively be involved in encouraging our Congressional delegation's support of TEA-21 reauthorization in Congress next year. In addition, we encourage our State delegation to join in our efforts to develop and receive a designation as a transportation corridor.

Unfunded Mandates:

In the next session, we encourage our delegation to be mindful of any legislation introduced that would require local governments to provide new or expanded services, but not provide the financial resources to accomplish it.

Water:

We support the State's foresighted efforts to protect through SB 1 our valuable ground water. Further, we encourage the State to continue in the next session, and where appropriate, strengthen its current efforts to control and plan for Texas' water supply future. This needs to happen through strong planning heavily dependent upon the involvement of local government and must ensure viable financing mechanisms. This will allow local governments in the area to plan, finance, and build infrastructure for both new and existing ground water and surface water supplies to serve our growing populations. We believe control and development of our area water supplies, both current and future, are of vital importance to our future quality of life. Additionally, a Special Utility District (SUD) sometimes provides water to customers within City limits. Such an area of granted water responsibility is known as CCN (Certificate of convenience and necessity). A SUD cannot always provide ample water supply for fire suppression. We encourage our legislative representatives to consider legislation that would allow cities to affordably take responsibilities of these areas, and hope that our legislators will seek our input on such legislation. As an option, a SUD should be required to provide ample water pressure for fire suppression.